

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
(LETTERHEAD - ADDRESS)

3104 (Office Code)  
Lease Serial No.

NOTICE

Assignee:

Oil and Gas Bond

Additional Requirement

Your assignment affecting oil and gas lease (Serial No.) cannot be approved as filed.

Our records show a well has been drilled on the lease. Liability for the drilling operations is being maintained by the lessee(s). The regulations at 43 CFR 3104.2 state, "The operator on the ground shall be covered by a bond in his/her own name as principal, or a bond in the name of the lessee or sublessee, provided that a consent of the surety, or the obligor in the case of a personal bond, to include the operator under the coverage of the bond is furnished to the Bureau office maintaining the bond."

One of the following requirements must be met in order to comply with the cited regulation:

1a. The assignee maintains bond number \_\_\_\_\_. The assignee may furnish a consent of surety to the bond. A sample consent is enclosed. The consent must be executed by the assignee (principal) and surety and must be accompanied by a power of attorney for the person signing on behalf of the surety.

OR

1b. The assignee maintains no bond coverage. Options available to secure an appropriate bond are contained in the enclosed "Information on Procedures for Obtaining Surety and Personal Bonds." If the assignee files a surety bond, it must be accompanied by a consent of surety. A sample consent is enclosed. The consent must be executed by the assignee (principal) and surety and must be accompanied by a power of attorney for the person signing on behalf of the surety. If a personal bond is secured, a consent of the obligor to the personal bond will be required. A sample of the consent of obligor is also enclosed.

All of the lessees (record title holders) are maintaining bonds to cover liabilities on the lease. Only one bond is required to cover the operations. Therefore, only one of the lessees must obtain a consent of surety to its bond in accordance with 43 CFR 3104.2.

2a. The operator of the well is           (Name)          . The operator maintains bond number                                  which may be used to cover the liabilities provided a statement is filed in the BLM           (Name)           District Office/Resource Area Office wherein the operator agrees to use its bond to cover the liabilities.

OR

2b. The operator of the well is           (Name)          . The operator currently maintains no bond coverage. The operator may file an acceptable bond together with a statement that the bond will cover liabilities for operation of the well on the lease. Bond options are outlined in the enclosed "Information on Procedures for Obtaining Surety and Personal Bonds."

Sixty days are allowed for the defect in the assignment to be cured. During that time, a new filing fee will not be required. If the defect in the assignment is not cured within the time allowed, we will issue a decision denying approval of the assignment. If additional time is needed to comply with the above requirement, a written request for an extension of time must be filed in this office. Should you have questions concerning this correspondence, you may contact (Name and telephone number of contact).

Authorized Officer

Attachments

Distribution:

Assignee  
Assignor  
Operator  
Field Office Operations  
Lease Case File